



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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"To Enrich Lives Through Effective And Caring Service"

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September 09, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

30 September 9, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**DEPARTMENT OF PUBLIC WORKS:
HUMAN RESOURCES DIVISION
MECHANICAL SYSTEM REPLACEMENT PROJECT
FIND THE LOWEST BIDDER NONRESPONSIVE AND
AWARD A CONSTRUCTION CONTRACT
SPECS. 7252; CAPITAL PROJECT NO. 88990
FIFTH DISTRICT
(3 VOTES)**

SUBJECT

The recommended actions will find the lowest bidder nonresponsive and award a construction contract to the next lowest responsible bidder that submitted a responsive bid for construction of the Human Resources Division Mechanical System Replacement Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the bid submitted by the apparent lowest bidder, Sea Pac Engineering, Inc., is nonresponsive and reject the apparent lowest bid for failure to acknowledge receipt of Addendum Notice to Bidders A on the Section 00300 Bid Form, and for failure to submit written confirmation of the bid amount, along with confirmation that the work would be performed according to the Project plans and specifications, including Notice to Bidders A, within 24 hours of the bid opening date, as required in the bid documents.
2. Find that JR Universal Construction, Inc., is the apparent Lowest Responsive and Responsible Bidder; award and authorize the Director of Public Works, or her designee, to execute a construction contract, in the form previously approved by County Counsel, with JR Universal Construction, Inc., in

the amount of \$714,615 for the Human Resources Division Mechanical System Replacement Project; and establish the effective date of the contract upon delivery of acceptable performance and payment bonds, and evidence of required insurance filed by the contractor.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize the Director of Public Works, or her designee, to award and execute a construction contract, and establish the effective contract date following receipt of approved Faithful Performance and Labor, Material Bonds, and insurance certificate filed by the contractor for the Human Resources Division (HRD) Mechanical System Replacement Project (Project).

On April 1, 2014, the Board found the Project categorically exempt from the provisions of the California Environmental Quality Act (CEQA), approved a Project budget of \$1,660,000, adopted the plans and specifications, authorized advertising for bids, and authorized the Director of Public Works, or her designee, to execute a consultant services agreement with the Lowest Responsive and Responsible Bidder to prepare a baseline construction schedule. The Board also delegated authority to the Director of Public Works, or her designee, to determine, award, and execute a construction contract with the Lowest Responsive and Responsible Bidder with the estimated \$883,000 construction cost.

On April 30, 2014, six bids were received. The Department of Public Works (Public Works) determined that the bid submitted by Sea Pac Engineering, Inc. (Sea Pac), the apparent lowest bidder, is nonresponsive for failure to acknowledge receipt of Addendum Notice to Bidders A on the Section 00300, and for failure to submit written confirmation of the bid amount, along with confirmation that the work would be performed according to the Project plans and specifications, including Notice to Bidders A, within 24 hours of the bid opening date, as required in the bid documents. On May 7, 2014, Sea Pac was notified, in writing that Public Works intends to recommend its bid be found nonresponsive and the basis thereof nonresponsive.

JR Universal Construction, Inc. (JR Universal), the next lowest bidder, is the apparent Lowest Responsive and Responsible Bidder with a lump sum of \$717,215, within the previously Board-approved construction budget of \$883,000.

On June 2, 2014, Public Works executed a consultant services agreement with JR Universal for the preparation of a baseline construction schedule for a \$2,600 not-to-exceed fee, as authorized by the Board on April 1, 2014. Public Works has determined that JR Universal submitted a satisfactory baseline construction schedule and recommends that the Board award the construction contract to JR Universal in the amount of \$714,615. The \$2,600 fee for the preparation of the baseline schedule has been deducted from JR Universal's lump sum bid as described in the Instructions to Bidders. A summary of the bid results is included in Attachment B.

The approved Project is located at 900 South Fremont Avenue in the City of Alhambra. The Project consists of installation of a new mechanical system to service the existing HRD's office space at Public Works Headquarters building lobby, mezzanine, and the Fiscal Division offices in the mezzanine area.

HRD staff will be relocated to vacant leased space within the Alhambra building located at 1000 South Fremont Avenue, or to vacant space within the Public Works Headquarter's building during the renovations. Services to the public will not be interrupted as a result of the Project.

Green Building/Sustainable Design Program

The Project will support the Board's Green Building/Sustainable Design Program by installing an energy efficient mechanical system for the HRD office space. This will result in a reduction in the use of energy.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness/Fiscal Sustainability (Goal 1), by maximizing the effectiveness of process, structure, operations, and strong fiscal management to support timely delivery of customer oriented and efficient public service. The Project will achieve this goal by allowing HRD to continue to operate within the Public Works Headquarters building.

FISCAL IMPACT/FINANCING

There is no impact to net County cost.

On April 1, 2014, the Board approved the Project with a total Project cost of \$1,660,000, including construction, change orders, civic art, plans and specifications, jurisdictional approvals, consultant services, and County services.

The total Project is funded by the Los Angeles County Flood Control District Fund, Services and Supplies. Sufficient appropriation is available in the Fiscal Year 2014-15 Capital Project/Refurbishment Budget to proceed with the Project.

The Project Schedule and Budget Summary are included in Attachment A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract will contain terms and conditions supporting the Board's ordinances and policies, including, but not limited to: County Code Chapter 2.200, Child Support Compliance Program; County Code Chapter 2.202, Contractor Responsibility and Debarment; County Code Chapter 2.203, Contractor Employee Jury Service Program; County Code Chapter 2.206, Defaulted Property Tax Reduction Program; Board Policy No. 5.050, County's Greater Avenues for Independence (GAIN) and General Relief Opportunities for Work (GROW) Programs; Board Policy No. 5.060, Reporting of Improper Solicitations; Board Policy No. 5.110, Contract Language to Assist in Placement of Displaced County Workers; and Board Policy No. 5.135, Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

Applicable law, including the State Public Contract Code, requires the County to award construction contracts to the apparent Lowest Responsive and Responsible Bidder, which refers to the firm that: (1) submits the lowest-cost bid; (2) is deemed by the County to be "responsive" to specific criteria under the solicitation, including, but not limited to, licensure, bonding, and insurance requirements; and (3) is determined by the County to be a "responsible" bidder by exhibiting the quality, fitness, capacity, experience, and trustworthiness to satisfactorily perform the work required under the bid solicitation.

As part of the contract award to the Lowest Responsive and Responsible Bidder, JR Universal was

required to report violations of the False Claims Act, criminal convictions, civil litigation, defaulted contracts with the County, complaints filed with the Contractors State License Board, labor law/payroll violations, and debarment actions. As provided for in Board Policy No. 5.140, the information reported by the contractor was considered before making a recommendation to award.

As required by the Board, the Project cost includes 1 percent of the estimated design and construction costs to be allocated to the Civic Art Special Fund per the Board's Civic Art Policy adopted on December 7, 2004, and amended on December 15, 2009.

ENVIRONMENTAL DOCUMENTATION

On April 1, 2014, the Board found the Project categorically exempt from the provisions of the CEQA in accordance with CEQA Guidelines, Section 15301(a) and Class 1(d) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G.

Upon the Board's approval, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the CEQA Guidelines.

CONTRACTING PROCESS

A standard contract, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees will be included in the contract.

On April 1, 2014, the Board adopted plans and specifications for the Project and instructed the Executive Officer of the Board of Supervisors to advertise for construction bids.

On April 30, 2014, Public Works received six bids. A summary of the bid results is set forth in Attachment B. Public Works has determined that the apparent lowest bid submitted by Sea Pac is nonresponsive for failure to meet the mandatory requirements of the bid documents, as set forth above in detail. Therefore, JR Universal, the next lowest bidder, is the apparent Lowest Responsive and Responsible Bidder with a lump-sum bid of \$717,215. Public Works has determined that JR Universal submitted a satisfactory baseline construction schedule pursuant to a consultant services agreement, which Public Works executed with JR Universal on June 2, 2014, for a \$2,600 not-to-exceed fee.

Therefore, Public Works recommends that the Board award the construction contract to JR Universal in the amount of \$714,615.

As required by the Board, language has been incorporated into the Project's specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees that they may be eligible for the Federal Earned Income Credit under the Federal Income Tax Law (Federal Income Tax Law, Internal Revenue Service Notice 1015).

As required by the Board on February 3, 1998, this contract opportunity was listed on the "Doing Business with Us" website.

The contract requires the contractor to pay its employees applicable prevailing wages in accordance with the California Labor Code.

JR Universal's Community Business Enterprises participation data and three-year contracting history with the County are on file with Public Works.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects during the performance of the recommended services. HRD staff will be relocated to vacant leased space within the Alhambra building located at 1000 South Fremont Avenue, or to vacant space within the Public Works Headquarters building during the renovations. Services to the public will not be interrupted as a result of the Project.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Facilities and Asset Management Division; and the Department of Public Works, Project Management Division II.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. Fujioka", with a stylized flourish at the end.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SHK:DJT
SW:VM:rp

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Public Works

September 9, 2014

ATTACHMENT A

**DEPARTMENT OF PUBLIC WORKS:
HUMAN RESOURCES DIVISION
MECHANICAL SYSTEM REPLACEMENT PROJECT
CAPITAL PROJECT NO. 88990**

I. PROJECT SCHEDULE

Project Activity	Schedule Completion Date	Revised Completion Date
Design		
Construction Documents	12/04/2013*	N/A
Jurisdictional Approvals	02/06/2014*	N/A
Construction Bid and Award	07/29/2014	09/10/2014
Construction		
Substantial Completion	05/11/2015	04/13/2015
Project Acceptance	06/29/2015	06/12/2015

* Indicates completed activity.

II. PROJECT BUDGET SUMMARY

Budget Category	Project Budget	Impact of this Action	Revised Project Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
Low Bid	\$ 803,000	\$ (85,000)	\$ 718,000
Bid Contingency (10 percent)	\$ 80,000	\$ (80,000)	\$ 0
Change Order (15 percent)	\$ 133,000	\$ 0	\$ 133,000
Civic Art	\$ 9,000	\$ 0	\$ 9,000
Staff Relocation	\$ 160,000	\$ 0	\$ 160,000
Subtotal	\$ 1,185,000	\$ (165,000)	\$ 1,020,000
Equipment	\$ 0	\$ 0	\$ 0
Plans and Specifications			
Plans and Specifications	\$ 100,000	\$ 0	\$ 100,000
Subtotal	\$ 100,000	\$ 0	\$ 100,000
Consultant Services			
Cost Estimating	\$ 10,000	\$ 0	\$ 10,000
Hazardous Materials Survey	\$ 10,000	\$ 0	\$ 10,000
Geotechnical Inspections	\$ 5,000	\$ 0	\$ 5,000
Hazardous Materials Abatement	\$ 25,000	\$ 0	\$ 25,000
Subtotal	\$ 50,000	\$ 0	\$ 50,000
Miscellaneous Expenditures			
Printing/Legal Advertisement	\$ 3,000	\$ 0	\$ 3,000
Subtotal	\$ 3,000	\$ 0	\$ 3,000
Jurisdictional Approvals	\$ 8,000	\$ 0	\$ 8,000
County Services			
Code Compliance and Quality Control	\$ 55,000		
Inspections		\$ 20,000	\$ 75,000
Contract Administration	\$ 23,000	\$ 5,000	\$ 28,000
Project Management	\$ 186,000	\$ 0	\$ 186,000
Secretarial	\$ 11,000	\$ 0	\$ 11,000
Document Control	\$ 11,000	\$ 0	\$ 11,000
Technical Support	\$ 11,000	\$ 30,000	\$ 41,000
Contract Recovery	\$ 7,000	\$ 35,000	\$ 42,000
ISD Countywide Contract Compliance	\$ 10,000	\$ 0	\$ 10,000
Contingency	\$ 0	\$ 75,000	\$ 75,000
Subtotal	\$ 314,000	\$ 165,000	\$ 479,000
Total	\$ 1,660,000	\$ 0	\$ 1,660,000

September 9, 2014

ATTACHMENT B

**DEPARTMENT OF PUBLIC WORKS:
HUMAN RESOURCES DIVISION
MECHANICAL SYSTEM REPLACEMENT PROJECT
CAPITAL PROJECT NO. 88990**

The Project is located at 900 South Fremont Avenue in the City of Alhambra. The Project consists of installation of a new mechanical system to service the existing HRD's office space at Department of Public Works (Public Works) Headquarters building lobby, mezzanine, and the Fiscal Division offices in the mezzanine area.

Bid Opening Date: April 30, 2014

Bid Summary: Please see attached table.

Financial Information:

Public Works' fair construction cost estimate for the base bid (not including additive/deductive alternates) was \$883,000.

The proposed contract to be issued to JR Universal Construction, Inc., upon timely submitting to the County a satisfactory baseline construction schedule, acceptable Faithful Performance and Payment for Labor and Material Bonds, and evidence of required contractor insurance.



BID OPENING
HUMAN RESOURCES DIVISION MECHANICAL SYSTEM REPLACEMENT PROJECT

Specs. No. 7252
BIDS DUE 04/30/14, NO LATER THAN @ 2:00 PM

Estimate: **\$883,000.00**

\$564,500.00
SBE Deduction 5% of Lowest Bid \$28,225.00

NO.	CONTRACTOR	LUMP SUM BID	ADDITIVE/ DEDUCTIVE ALTERNATE 1	DAILY OVERHEAD RATE	MULTIPLY BY 30 DAYS	LUMP SUM TOTAL	SMALL BUSINESS PREFERENCE	FINAL BID RESULT
1	Sea Pac Engineering Inc. ^{1, 2, 3}	\$585,500.00	(30,000.00)	\$300.00	\$9,000.00	\$564,500.00	N	\$564,500.00
2	JR Universal Construction Inc.	\$717,215.00	0.00	\$0.00	\$0.00	\$717,215.00	N	\$717,215.00
3	Air-Ex Air Conditioning Inc.	\$818,000.00	(1,000.00)	\$200.00	\$6,000.00	\$823,000.00	Y	\$794,775.00
4	Newman Midland Corporation	\$795,900.00	0.00	\$500.00	\$15,000.00	\$810,900.00	N	\$810,900.00
5	AP Construction Group Inc. ¹	\$925,000.00	(10,000.00)	\$650.00	\$19,500.00	\$934,500.00	N	\$934,500.00
6	Tobo Construction Inc. ²	\$869,874.00	(38,500.00)	\$7,500.00	\$225,000.00	\$1,056,374.00	N	\$1,056,374.00
7								

¹ Claimed Local SBE preference, but not certified with the County Office of Small Business.

² Used incorrect Bid Form, 00300. Revised form provided in Notice to Bidders A, dated 4/24/14.

³ Bidder found non-responsive.